

July 12, 2002

TO: Local Agency Formation Commission for Santa Clara County

FROM: Neelima Palacherla, Executive Officer  
Dunia Noel, LAFCO Analyst

**SUBJECT: LAFCO Service Reviews Recommendations –  
Service Review Organization, Boundaries, and Priorities**

## **RECOMMENDATION**

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### **1. CEQA Action**

This project is exempt under CEQA Class 6, Section 15306 “Information Collection” which states:

*Section 15306: Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded.*

### **2. Service Reviews Organization and Boundaries**

- a. Authorize staff to conduct:
  - i. Countywide service reviews for fire protection services,
  - ii. Countywide service reviews for water services, and
  - iii. A comprehensive review of all services in the following sub-regions, as defined in the LAFCO Service Reviews Sub-Region Map and Tables 1-4:
    - 1 North County Sub-Region
    - 2 West Valley Sub-Region
    - 3 Central County Sub-Region
    - 4 South County Sub-Region

### **3. Service Reviews Priorities**

Authorize staff to conduct countywide service reviews and sub-regional service reviews using the following priorities (listed from highest priority to lowest priority):

**Priority #1** – Countywide service review for fire protection services and countywide service review for water services.

**Priority #2** – North County Sub-Region Service Review

**Priority #3** – South County Sub-Region Service Review

**Priority #4** – West Valley Sub-Region Service Review

**Priority #5** – Central County Sub-Region Service Review

## **REASONS FOR RECOMMENDATION**

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### **Service Reviews Organization and Boundaries**

In developing a recommendation for countywide service reviews and service review sub-regions, LAFCO staff considered the geographic area that best facilitates a logical, comprehensive and adequate review of services in the area that is necessary to render service review determinations.

#### **Countywide Service Reviews**

Staff believes that fire protection services and water services, due to their unique characteristics, should be reviewed countywide in order to provide a comprehensive review.

Fire protection services in Santa Clara County are provided by multiple local jurisdictions (special districts and cities/towns) to various part of the county. While city fire departments provide fire protection services within their respective jurisdiction, special districts may provide fire protection services to multiple cities and various parts of the unincorporated county. While all fire protection service providers have boundaries, the areas that the fire districts and departments service may differ from those defined boundaries due to mutual aid agreements, boundary drops, and contracts. Given these interrelationships, it is appropriate to review fire protection services countywide.

Water service, supply, and quality is a countywide issue. Although there are multiple water service providers that supply water to various parts of the county through their own distribution systems, water as a natural resource does not have a specific boundary. Therefore staff recommends that the service review for water services be conducted countywide.

In a normal year, less than half of Santa Clara County's water is drawn from local groundwater aquifers or rainwater captured in the district's 10 reservoirs. More than half is imported waters brought into the county through the State Water Project, the federal Central Valley Project, and to a small degree, San Francisco's Hetch Hetchy system.

The Santa Clara Valley Water District is the county's wholesale drinking water manager and coordinates flood protection for over 1.6 million residents countywide. The District sells treated water and groundwater to 13 local water retail agencies, as well as several mutual water companies, which serve communities within the county via their own distribution systems. The District also serves as steward of the county's more than 700 miles of streams.

Although staff recommends that fire protection services and water services should be reviewed countywide, staff may also address these services in sub-regional service reviews, where relevant.

### **Sub-Regional Service Reviews**

In an effort to provide useful and accurate information concerning the services provided in the county, LAFCO staff recommends that separate comprehensive service reviews be conducted for different sub-regions of the county. This will allow staff to conduct a more focused review of services in a specific sub-region of the county and result in a more meaningful analysis. The recommended Sub-Regions are as follows (also see attached map):

1. North County Sub-Region
2. West Valley Sub-Region
3. Central County Sub-Region
4. South County Sub-Region

LAFCO staff will conduct a comprehensive review of services within each proposed sub-region. LAFCO may need to include a service provider in more than one service review sub-region, only review services of some providers to the extent that they affect the service review sub-region and services under study, or only review a portion of services provided. Service reviews may extend beyond the county boundary in some cases, to provide a more useful and accurate analysis of service provision, especially where multi-county service providers are involved. Furthermore, some types of services (e.g. resource conservation, open space protection, and vector control) may need to be grouped together and covered in one specific service review.

### **Service Reviews Priorities**

In developing the recommendations for service review priorities, LAFCO staff considered the following criteria:

- Adverse public health and safety, environmental or land use issues requiring LAFCO actions to address such concerns
- Need for service reviews demonstrated by pending or prior applications
- Need to update Sphere's of Influence (SOI) in the area
- Adequacy of existing services
- Request for service reviews

- Input received from service providers and stakeholders
- Substantial consumer complaints or controversy
- Funding, budget, workload, and complexity of review and timing issues

### **Review of Fire and Water Services In Preparation for Sub-Regional Service Reviews**

As mentioned earlier, staff recommends that separate countywide service reviews be conducted for fire and water services. Staff believes that these service reviews should be conducted prior to or in conjunction with sub-regional service reviews. The information collected in these countywide reviews will assist staff in completing service reviews for fire and water services for each sub-region.

### **Sub-Regional Service Reviews Priorities**

LAFCO staff, using the *Criteria for Prioritizing Service Reviews*, analyzed the four proposed service review sub-regions (North County, West Valley, Central County, South County) in an effort to establish priorities for service reviews. This preliminary review indicated that there is a great need to conduct service reviews for all four areas in a timely manner. The preliminary review also indicated that the complexity of service reviews could vary depending on the sub-region.

Staff recommends the following priorities for conducting sub-regional service reviews

**First Priority** – North County Sub-Region

**Second Priority** – South County Sub-Region (may include Coyote Valley)

**Third Priority** – West Valley Sub-Region

**Fourth Priority** – Central County Sub-Region

The above priorities list should not be viewed as indication of the importance or the lack of importance of conducting a service review for certain sub-regions of the County. Even though staff is aware of several issues in the South County Sub-Region that could potentially be addressed through the service review process, staff believes that conducting a service review for the North County Sub-Region will allow staff to gain the critical experience and information needed to conduct the more complex service review. Although these are staff's current recommendations, there is the possibility that these priorities might need to be modified due to unforeseen events or circumstances.

LAFCO staff estimate that the first service review will begin in late 2002 or early 2003. The remaining service reviews will be conducted over the next three years.

## **PROJECT DESCRIPTION**

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The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) requires that LAFCO conduct a municipal service review before, or in conjunction with, but no later than the time LAFCO establishes or updates a Sphere of Influence (SOI). LAFCO is required to complete its first service reviews in time to enable SOI updates by January 1, 2006. Service review reports will be reviewed and updated as necessary, every

five years in conjunction with SOI reviews and updates. Service reviews may need to be updated as required to facilitate review of a pending application or LAFCO action unless LAFCO determines that prior reviews are still adequate.

### **Definition of Service Reviews**

A service review is a comprehensive review of municipal services within a designated geographic area to:

- Obtain information about municipal services in the geographic area,
- Evaluate the provision of municipal services from a comprehensive perspective, and
- Recommend actions to promote the efficient provision of those services.

### **Type of Municipal Services That Will be Reviewed**

OPR's Service Review Guidelines recommend that service reviews cover the full range of services that a public agency provides, or is authorized to provide except general government services such as social and health services, courts and criminal justice. Service reviews are triggered by requirements to create or update sphere of influence (SOI) for public agencies. Therefore, LAFCO will review services that are provided by public agencies that have, or are required to have, SOIs. In doing so, LAFCO may also take into consideration other services and the operations of other providers that service the same region (e.g. private water providers or volunteer fire crews).

### **Service Providers That Will Be Included in the Service Reviews**

As mentioned above, agencies with SOIs are the focus of service reviews. Other agencies and private providers that do not have SOIs may also need to be reviewed but not in the same depth as those with SOIs. All agencies will be encouraged to fully participate in the service review process.

The agencies with SOIs in Santa Clara County include cities (15), and special districts (30) such as but not limited to county service areas, community service districts, fire protection districts, sanitary districts, water districts, a vector control district, open space districts and resource conservation districts.

Other agencies including school districts, private providers, state or federal agencies and other agencies providing complementary, joint, support or overlapping services in the region will also be reviewed to the extent necessary to establish relationships, quantify services, designate or map service locations/facilities and provide a complete overview of services in the area. These agencies may be requested to participate and provide information necessary to conduct the review.

## **BACKGROUND**

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### **Santa Clara County is a Large and Diverse County**

Santa Clara County stretches over 1,300 square miles, and consists of multiple local jurisdictions (cities, county, and special districts) that provide various services to residents

that live in a variety of environments. In addition to the fifteen cities/towns, thirty special districts provide various types of urban and other services to various parts of the county. Some of these special districts provide services countywide, while others serve specific areas, such as neighborhoods, communities, and/or certain cities. Four sewer treatment plants serve the various parts of the county. Three of the plants serve parts of the north valley, while one plant serves the south valley.

The North County is extensively urbanized, housing approximately 90 percent of the County's residents. Thirteen of the county's fifteen cities are located in the North County, while the remaining two cities, Gilroy and Morgan Hill, are located in the South Valley. The South Valley differs in that it remains predominantly rural, with the exception of Gilroy, Morgan Hill, and the small, unincorporated community of San Martin. Low density residential developments are also scattered through the valley and foothill areas.

The major topographic features of the county are the Santa Clara Valley, the Diablo Range to the east, the Santa Cruz Mountains to the west, and the Baylands in the northwest. Much of the County is undeveloped and/or inaccessible due to steep slopes, geologic instability and lack of roads. The majority of surface water drains into either the San Francisco Bay or the Pajaro River. The northern portion of the Diablo Range drains to Alameda County.

## **Information On Proposed Service Review Sub-Regions**

### **North County Sub-Region**

The North County Sub-Region consists of the Cities of Los Altos, Mountain View, Palo Alto, Sunnyvale, the Town of Los Altos Hills and unincorporated lands that are under the jurisdiction of the County of Santa Clara. Some of the unincorporated lands are developed with urban uses, substantially surrounded by cities, and located within a city's Urban Service Area. These areas are often referred to as "the County Pockets." Stanford University, which is primarily located in the unincorporated area, is also a large landowner in this sub-region. The sub-region is mostly fully developed, with the cities of Mountain View and Sunnyvale landlocked.

Several special districts operate in the North County Sub-Region, such as the Cupertino Sanitary District, West Bay Sanitary District, Purissima Hills County Water District, Central Fire Protection District and the Los Altos Hills County Fire District. For a complete list of cities/areas and special districts located within the North County Sub-region see *Table 1*.

Land-use planning efforts in the sub-region include the recently completed general plan/use permit update for Stanford University's land. The Plan and Use Permit are now being implemented. A major planning effort is also underway for the Moffett Field Area that is located in both Mountain View and Sunnyvale. The Federal Government, who has jurisdiction over the area, is directing this planning effort.

### **West Valley Sub-Region**

The West Valley Sub-Region consists of the cities of Cupertino, Saratoga, Monte Sereno, the Town of Los Gatos, and unincorporated lands that are under the jurisdiction of the County of Santa Clara. The unincorporated communities of Redwood Estates, Aldercroft

Heights and Lake Canyon are located in this sub-region. The County has partnered with the Cities of Los Gatos and Cupertino in order to promote the annexation of “County Pockets” into their respective cities.

The two sewer service providers in the sub-region are the Cupertino Sanitary District and the West Valley Sanitation District. These districts provide services to cities in the sub-region as well as parts of the unincorporated county.

Special districts, private providers, and mutual water companies provide water service to parts of the sub-region. The Central Fire Protection District and the Saratoga Fire Protection District provide fire protection service in the sub-region.

For a complete list of cities/areas and special districts located within the West Valley Sub-Region see *Table 2*.

### **Central County Sub-Region**

The Central Sub-Region consists of the Cities of Campbell, Milpitas, San Jose (may also include Coyote Valley), Santa Clara, and unincorporated lands (both rural lands and “County Pockets”) that are under the jurisdiction of the County of Santa Clara.

The Cities of Santa Clara and Campbell are fully developed and landlocked. Both the Cities of San Jose and Milpitas have an urban growth boundary that limits their ability to further expand their boundaries. The Coyote Valley, located at the southern end of San Jose’s Sphere of Influence, is the only part of the sub-region that is likely to see significant land use changes. Future plans for the Coyote Valley include a new community consisting of 75,000 persons with 50,000 jobs and 25,000 housing units. This new community would be part of the City of San Jose.

The cities in the sub-region provide fire and sewer services to lands under their jurisdiction, with the exception of the City of Campbell that receives sewer service from the West Valley Sanitation District. The majority of “County Pockets” are located in the City of San Jose. Most of these pockets receive sewer service from Sunol Sanitary District, Burbank Sanitary District, or County Sanitation District No. 2-3.

Depending on the city, water service may be provided by a private provider or the actual city. Fire protection service is provided by the cities, the Central Fire Protection District, and California Department of Forestry.

For a complete list of cities/areas and special districts located within the Central County Sub-Region see *Table 3*.

### **South County Sub-Region**

The South County Area consists of the cities of Morgan Hill, Gilroy, the unincorporated rural community of San Martin, and other unincorporated lands that are predominantly rural or agricultural/open space lands. The South County Sub-Region is the part of the Santa Clara County that is likely to experience the most long-term growth. The City of Morgan Hill has adopted an urban growth boundary that limits the City’s ability to expand

its boundaries. The overwhelming majority of the South County is remote and inaccessible, particularly lands in the Diablo Range.

The South County Regional Waste Authority operates a sewage treatment plant that serves the cities of Morgan Hill and Gilroy. Sewer service is generally not provided to unincorporated lands in South County.

The City of Gilroy provides its own fire service, while the City of Morgan Hill contracts to the Central Fire Protection District for its fire protections services. Some parts of the rural, unincorporated lands in the sub-region are served by the South Santa Clara County Fire District and California Department of Forestry.

For a complete list of cities/areas and special districts located within the South County Sub-Region see *Table 4*.

## **CONCLUSION**

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The recommendations presented in this staff report are based on the many discussions that LAFCO staff have had with representatives from cities, County, and special districts to date. As LAFCO staff proceeds with this multi-year project, it may be necessary to make modifications to the organization, boundaries, and priorities for service reviews as presented in this staff report.

## **NEXT STEPS**

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As a next step in the Service Reviews Project, staff will develop policies and procedures for conducting service reviews. These policies and procedures will be brought to the Commission for adoption at the October 9, 2002 noticed public hearing.

## **ATTACHMENTS**

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|---------------|--|
| Attachment A: | Local Jurisdictions Within Each Sub-Region   |
| Attachment B: | Map of Service Reviews Sub-Regions           |
| Attachment C: | Sample List of Issues for Santa Clara County |



**ATTACHMENT A**  
**Page 1**

**TABLE 1: Local Jurisdictions in the North County Sub-Region**

SUB-REGION	CITIES AND OTHER AREAS	SPECIAL DISTRICTS <sup>1</sup>
North County	Los Altos	Central Fire Protection District
	Los Altos Hills	County Library Service Area
	Mountain View	Cupertino Sanitary District
	Palo Alto	El Camino Hospital District
	Sunnyvale	Guadalupe Coyote Resource Conservation District
	Unincorporated	Los Altos Hills County Fire District
	Moffett Field	Midpeninsula Regional Open Space District
	Stanford	Purissima Hills County Water
		Santa Clara County Vector Control District
		Santa Clara County Lighting Service Area
		Santa Clara Valley Transportation Authority
		Santa Clara Valley Water District
		West Bay Sanitary District

**TABLE 2: Local Jurisdictions in the West Valley Sub-Region**

SUB-REGION	CITIES AND OTHER AREAS	SPECIAL DISTRICTS <sup>1</sup>
West Valley	Cupertino	Aldercroft Heights County Water District
	Los Gatos	Central Fire Protection District
	Monte Sereno	County Library Service Area
	Saratoga	Cupertino Sanitary District
	Unincorporated	Guadalupe Coyote Resource Conservation District
		Lake Canyon Community Services District
		Midpeninsula Regional Open Space District
		Rancho Rinconada Recreation and Park District
		Santa Clara County Vector Control District
		Santa Clara County Lighting Service Area
		Santa Clara Valley Transportation Authority
		Santa Clara Valley Water District
		Saratoga Cemetery District
		Saratoga Fire Protection District
		West Valley Sanitation District

<sup>1</sup> Please note that many special district boundaries cover two or more service review sub-regions and therefore review and analysis of the services that the special district provides may be covered in more than one service review.

## ATTACHMENT A

### Page 2

**TABLE 3: Local Jurisdictions in the Central County Sub-Region**

SUB-REGION	CITIES AND OTHER AREAS	SPECIAL DISTRICTS <sup>1</sup>
Central County	Campbell	Burbank Sanitary District
	Milpitas	Central Fire Protection District
	San Jose	County Sanitation District No. 2-3
	Santa Clara	County Library Service Area
	Unincorporated	Guadalupe Coyote Resource Conservation District
	Coyote Valley <sup>2</sup>	Midpeninsula Regional Open Space District
		Santa Clara County Open Space Authority
		Santa Clara County Vector Control District
		Santa Clara County Lighting Service Area
		Santa Clara Valley Transportation Authority
		Santa Clara Valley Water District
		Sunol Sanitary District
		West Valley Sanitation District

**TABLE 4: Local Jurisdictions in the South County Sub-Region**

SUB-REGION	CITIES AND OTHER AREAS	SPECIAL DISTRICTS <sup>1</sup>
South County	Gilroy	Central Fire Protection District
	Morgan Hill	County Library Service Area
	Unincorporated	Lion's Gate Community Services District
	San Martin	Loma Prieta Resource Conservation District
	Coyote Valley <sup>2</sup>	Pacheco Pass Water District
		Pacheco Storm Water Drainage and Maintenance District
		San Martin County Water District
		Santa Clara County Open Space Authority
		Santa Clara County Vector Control District
		Santa Clara Valley Transportation Authority
		Santa Clara Valley Water District
		South Santa Clara County Fire Protection District
		South Santa Clara Valley Memorial District

<sup>1</sup> Please note that many special district boundaries cover two or more service review sub-regions and therefore review and analysis of the services that the special district provides may be covered in more than one service review.

<sup>2</sup> Please note that the Coyote Valley Area may be covered in both the Service Review for the Central County Sub-Region and the South County Sub-Region Service Review.

## **ATTACHMENT B**

## ATTACHMENT C

### SAMPLE LIST OF ISSUES FOR SANTA CLARA COUNTY

*The following is a sample list of issues that may relate to service reviews. This list was developed through stakeholder meetings, and inquiries from the public. The list should also be considered a working list, as staff anticipates that many other issues will be identified through the service review process.*

- Fire protection service, particularly for the hillside and remote development in the county as well as rural areas of the county.
- Providing emergency fire services to those parts of the county that are outside of the service boundaries of any established fire department.
- Providing services to the remote CDF areas during the winter months when CDF stations are not staffed.
- The provision of water service for fire protection is a particular concern for the rural unincorporated areas of South County.
- The San Martin County Water has expressed interest in expanding the District's boundaries to serve more of the surrounding community.
- There have been inquiries about extending water service to development in the foothills and the smaller, surrounding valleys.
- The provision of sewer services is an issue for the unincorporated pockets located in Los Altos Hills. Los Altos and Los Altos Hills are both working on separate master sewer plans for their respective jurisdictions.
- There have been some requests for sewer services to existing development that is located outside of the City of Monte Sereno's and City of Saratoga's Sphere of Influence (SOI)
- There have been inquiries about extending sewer service to the Holiday Lake Estates area that is located east of Morgan Hill. There have also been concerns about water quality and water contamination in this area.
- There have been inquiries about extending sewer service to the Community of San Martin as well as concerns about water quality and water contamination in this area.
- How the provision of services to new communities (e.g. Coyote Valley) will impact service currently being provided to other areas.